



Dear Prospective Applicant,

Thank you for applying to the Indiana Office of Energy Development (OED) 2011 Conserving Hoosier Industrial Power (CHIP) program. CHIP is a competitive program that offers financial assistance to commercial and industrial businesses for projects that reduce a facility's energy consumption. CHIP grants provide funding for the implementation of energy conservation measures up to \$500,000.

This document is intended to provide guidance and assist in completing the accompanying application. Included in this guidance are the CHIP Guidelines, Awardee Responsibilities, and Terms and Conditions.

CHIP applications must be submitted electronically anytime between August 25, 2011 – September 23, 2011. The OED Grant Management System, <https://extranet.in.gov/oed/grants/default.aspx>, is where applications must be submitted. All applications will be reviewed competitively following the close of the grant application period. You will be notified if any information is missing or if more information is required for a complete analysis during the review process.

Please contact Megan Murray, CHIP Program Manager, at [mmurray@oed.in.gov](mailto:mmurray@oed.in.gov) if you have any questions.

## **Program Guidelines**

### **American Recovery and Reinvestment Act (ARRA)**

The American Recovery and Reinvestment Act of 2009, Public Law 111-5, appropriates funding for the Department of Energy (DOE) to issue/award formula-based grants to states, U.S. territories, units of local government, and Indian tribes under the State Energy Program. DOE's authorization for this program is set forth in Title V, Subtitle E of the Energy Independence and Security Act (EISA) of 2007.

Projects under this announcement will be funded, in whole or in part, with funds appropriated by the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, (Recovery Act or Act). The Recovery Act's purposes are to stimulate the economy and to create and retain jobs. The Act gives preference to activities that can be started and completed expeditiously. Special consideration will be given to projects that promote and enhance the objectives of the Act, especially job creation, preservation and economic recovery, in an expeditious manner.

Be advised that special terms and conditions may apply to projects funded by the Act relating to:

- Reporting, tracking and segregation of incurred costs;
- Reporting on job creation and preservation;
- Publication of information on the Internet;
- Access to records by Inspectors General and the Government Accountability Office;
- Prohibition on use of funds for gambling establishments, aquariums, zoos, golf courses or swimming pools;
- Ensuring that iron, steel and manufactured goods are produced in the United States;
- Ensuring wage rates are comparable to those prevailing on projects of a similar character;
- Protecting whistleblowers and requiring prompt referral of evidence of a false claim to an appropriate inspector general; and
- Certification and Registration.

These special terms and conditions will be based on provisions included in Titles XV and XVI of the Act. These Special Provisions are located at:

<http://energy.gov/sites/prod/files/maprod/documents/Flash2009-27Attachment2.pdf>

Recipients of funding appropriated by the Act shall comply with requirements of applicable Federal, State, Tribal and local laws, regulations, DOE policy and guidance, and instructions in this announcement, unless relief has been granted by DOE. Recipients shall flow down the requirements of applicable Federal, State, Tribal and local laws, regulations DOE policy and guidance, and instructions in this announcement to sub recipients at any tier to the extent necessary to ensure the recipient's compliance with the requirements.

Be advised that Recovery Act funds can be used in conjunction with other funding as necessary to complete projects, but tracking and reporting must be separate to meet the reporting requirements of the Recovery Act and related OMB Guidance. Applicants for projects funded by sources other than the Recovery Act should plan to keep separate records for Recovery Act funds and to ensure those records comply with the requirements of the Act. Funding provided through the Recovery Act that is supplemental to an existing grant is one-time funding.

## **Program Summary**

Energy efficient retrofits of existing structures help conserve energy and manage costs. In a time of rising energy costs and increased energy supply volatility, it is vital to our economic future to decrease energy consumption and lower long term energy costs. Indiana's CHIP program will provide grants for Indiana's commercial and industrial users for the purchase and installation of energy efficient technology as outlined in this document.

The program will provide grants between \$100,000 and \$500,000 for the installation of energy efficient technologies. Cost share is not required, but applicants are encouraged to leverage funds.

The purpose of the Conserving Hoosier Industrial Power program is to assist eligible entities in creating and implementing strategies to:

- increase energy efficiency, reduce energy consumption and reduce energy costs through efficiency improvements;
- reduce fossil fuel emissions in a manner that is environmentally sustainable and, to the maximum extent practicable, maximizes benefits for local and regional communities;
- create new jobs and increased productivity to spur economic growth and community development; and
- leverage the resources of federal, state and local governments, utilities and utility regulators, private sector and non-profit organizations to maximize the resulting energy, economic and environmental benefits.

## Program Eligibility

*Eligible applicants include:*

- ☐ Commercial Applicants
  - Proposed project facility must be at least 30,000 sq ft and have annual energy expenditures of at least \$30,000
  - Applicant must be the entity responsible for payment of utility bills
  - Non-Indiana entities must be registered to do business with the Indiana Secretary of State (If not registered, please see the following form at <http://in.gov/sos/business/2426.htm> )
- ☐ Industrial Applicants
  - Proposed project facility must have annual energy expenditures of at least \$100,000
  - Company must meet the definition of industry by having a [North American Industry Classification System \(NAICS\)](#) designation of 22, 31-33, 48, 49.
  - Applicant must be the entity responsible for payment of utility bills
  - Non-Indiana entities must be registered to do business with the Indiana Secretary of State (If not registered, please see the following form at <http://in.gov/sos/business/2426.htm> )

*All proposed projects must meet all of the following criteria:*

- ☐ Project must be located in Indiana.
- ☐ Project must be in a building (or in a number of buildings) owned by applicant.
- ☐ Project must meet one or more of the following criteria:
  - Demonstrate measurable improvements in energy efficiency;
  - Result in a reduction in energy demand;
  - Implement an energy recycling process, such as waste-heat recovery.
- ☐ Project must use existing reliable, commercially-available technologies.
- ☐ Project must be limited to activities that have been previously approved under the National Environmental Policy Act (NEPA) or are otherwise categorically exempt from further NEPA review. These activities include only: lighting, lighting controls/sensors, chillers, furnaces, boilers, heat pumps, building insulation, windows, doors, energy management systems/controls, energy efficient compressed air, pumps, and motors.
- ☐ Eligible costs **must** occur following award (tentatively September 2011), but before January 31, 2012. Projects that begin prior to award or that will not be completed by January 31, 2012 are not eligible for grant funding.
- ☐ Project costs must be a minimum of \$100,000. Projects with costs exceeding \$500,000 are not discouraged, but the cap for grant funding will be \$500,000.
- ☐ In addition, all applicants must be in compliance with state and federal rules and regulations. To find out what permits may be necessary for your business, visit the IDEM Permit Wizard at <http://www.in.gov/idem/4218.htm>.

## Application Instructions

Only complete applications will be allowed to be submitted. The application must be completed and submitted through OED's online grant portal: <https://extranet.in.gov/oed/grants/default.aspx>. Applications submitted through other means will not be accepted. **Please note the question mark icons at the top of each page of the application online. These icons may be selected and will provide you with additional information for questions on a particular section of the application.**

The grant portal will request several attachments to be uploaded. Please include only one attachment per section. For example, if you are asked to provide equipment information, it should be in one .pdf file, even if there are multiple pages.

The applicant is responsible for all costs and expenses associated with submitting this proposal. Administrative costs will **not** be reimbursed.

OED may request additional information after submission from an applicant to further evaluate an application. Failure to adequately address the request will cause OED to score the application as is, which could affect an applicant's overall score and/or eligibility.

CHIP is a competitive grant program. OED expressly reserves the right to modify or withdraw this request for applications at any time, whether before or after applications have been submitted.

The following items are required for the CHIP program:

<i>Professional Engineer</i>
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A licensed Professional Engineer (P.E.) must approve the estimates underlying the calculations on the Energy Worksheet. Failure to do so may result in an Applicant being removed from consideration for grant funding.

<i>NEPA</i>
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All projects receiving financial assistance from DOE must be reviewed under the National Environmental Policy Act (NEPA) of 1969-42 U.S.C. Section 4321 et seq. Projects must be limited to activities that have been previously approved under NEPA or are otherwise categorically exempt from further NEPA review. These activities include only: lighting, lighting controls/sensors, chillers, furnaces, boilers, heat pumps, building insulation, windows, doors, energy management systems/controls, energy efficient compressed air, pumps, and motors.

### *Davis Bacon Act*

All projects receiving financial assistance from DOE must be compliant with the Davis Bacon Act. Section 1606 of the Recovery Act requires that all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by the Federal Government pursuant to the Recovery Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code.

OED will **not** allow program funds to be used by grant recipients for administrative purposes. OED will sub-contract directly with third parties familiar with Davis-Bacon requirements to monitor wage rates and weekly payroll for grant recipients.

### *DUNS Number*

If your organization does not have a DUNS number, go to the Dun & Bradstreet (D&B) online registration located at <http://fedgov.dnb.com/webform/displayHomePage.do> to receive a number free of charge or call 1-800-234-3867. Please be aware that this process may take up to 10 days. All applicants must have a DUNS number to be eligible. If you are not in receipt of a DUNS number at the time of application, you must submit it to the program manager within 7 days of application. Failure to do so may result in loss of eligibility for grant funding.

### *Buy American*

The American Recovery and Reinvestment Act (ARRA) encourages, but does not require, that all products and materials purchased with ARRA funds comply with the Buy American clause.

### *Historic Preservation (Section 106 Review)*

The Section 106 process determines whether a property is historic (one that is either listed in or eligible for inclusion in the National Register of Historic Places) and to insure work doesn't significantly and unnecessarily alter, damage, or destroy both above and below ground historic and/or cultural resources. Federal financial assistance (grants or loans) triggers the Section 106 review, and all applicants must undergo the Section 106 review process.

Please see the section entitled "CHIP Section 106 Review Process Package," located at the end of this document for further guidance about starting the Section 106 process.

If an applicant fails to initiate this process, the project will be deemed ineligible and not considered for funding. Ignoring additional requests for information from SHPO can jeopardize the eligibility of a project as well.

## **Evaluation and Award Process**

### *Scoring Criteria*

Applications shall be considered for grant funding upon completion of the administrative and technical review. The following criteria, among others, will be considered during the administrative and technical review:

- Energy savings
- Energy cost savings
- Grant experience
- Energy Conservation Strategy or Sustainability Initiatives
- Jobs created and/or retained
- Ability to start and complete project within the timeframe specified in this document

### *Awards*

CHIP is a competitive grant program. OED reserves the right to award zero (0) applicants under this opportunity or to modify or withdraw the request for applications at any time. Partial funding may also be awarded, and applicants awarded funding may not appeal the decision made by OED. Only one application per applicant will be accepted.

Due to the time frame associated with this grant, if a project is awarded, it is expected that the recipient will immediately begin work on the project while the contract is simultaneously being executed through OED. By submitting this application, a grantee agrees with this requirement.

If awarded, the applicant must inform OED of refusal of funds within five business days from original notification of award. Failure to notify OED of the refusal of funds will result in the applicant becoming ineligible for further application for grant funding.

After the Agreement has been executed through the state signature process the Borrower may incur grant related expenditures, submit the appropriate reimbursement documentation to OED, and be reimbursed for the amount of the qualified invoices submitted. Appropriate documentation must include an invoice for related expenditures with a zero balance remaining.

## **Application Checklist**

Complete grant applications will include all of the following supporting materials:

- ☐ Attachment A: Technical Sheets
- ☐ Attachment B: Project Calculations
- ☐ Attachment C: Quotes
- ☐ Attachment D: Energy Conservation Strategy
- ☐ Attachment E: Section 106 Assurance
- ☐ Attachment F: Signature Page

While not mandatory, you may also use the following field to upload additional materials to support your application:

- ☐ Attachment G: Other Attachments



## Attachment Guidelines

### *Attachment A: Technical Sheets*

Please include technical sheets that detail the product specifications for the proposed equipment. Please combine all technical sheets into one .pdf attachment

### *Attachment B: Project Calculations*

Please show the calculations and assumptions made to calculate the energy savings and payback of the proposed project.

### *Attachment C: Quotes*

Please provide in an attachment a copy of a quote from an installer to support your budget and grant request.

### *Attachment D: Energy Conservation Strategy*

The process of becoming more energy efficient should not be limited to a one –time capital expenditure. Please provide a summary outlining your organization’s current or planned energy conservation strategy or sustainability initiatives in a separate attachment.

### *Attachment E: Section 106 Assurance*

Please provide an attachment which demonstrates that you have started the Section 106 review process. For example, an appropriate example would be a copy of the signed letter sent to the State Historic Preservation Office (SHPO) to initiate the review process. Please look at the end of the guidelines to receive detailed guidance on the Section 106 process.

### *Attachment F: Signature Page*

Please provide as an attachment a signed copy of the signature page. To do this, print out, sign, and scan into a .pdf document the CHIP Certifications and Assurances document located at: <http://www.in.gov/oed/2613.htm>.

### *Attachment G: Other Attachments*

Please use this field to attach additional documents that support your application. These may include, but are not limited to, documentation for site drawings, energy audits or feasibility studies. Please provide descriptive labels for each attachment (i.e. Energy Audit).

## Awardee Responsibilities

While the below responsibilities, terms, and conditions are not exhaustive and intended to substitute for the awardee reading and understanding of the contract between their entity and the State of Indiana, they provide an example of the behavior and deliverables expected by OED and the U.S. Department of Energy.

### Reporting Requirements

The following will be collected from each recipient:

- One ARRA report each quarter through April 30, 2012
- One DOE report each quarter through April 30, 2012
- Final report due thirty days after grant's expiration of April 30, 2012

Reporting will be done electronically and a valid email address is a required attribute of the applicant. The report will detail activities/results such as timelines, budget information including grant monies received, the items listed below, and a narrative on the project's progress. These results/activities are provided to OED by the grant recipient in the form of quarterly reports which are due to OED. The specifics of reporting timelines and requirements will be explained further in the contract signed by the applicant upon award. The reports will be used to track progress made by the grant recipient and to report to the U.S. Department of Energy. Please see the table below for a list of potential reporting requirements:

Jobs created/retained *
Buildings retrofitted
Square footage of buildings retrofitted
Energy Savings
Energy Cost Savings
Greenhouse gases reduced (CO2 equivalents)*
Criteria air pollutants reduced (CO2 equivalents)*

\* If awarded, awardees will be provided with guidance on how to calculate these metrics.

A final progress report will be due. This final report will summarize all aspects of the project.

**Please consider the reporting requirement seriously before application submission to ensure your ability for compliance.**

### Maintain Communication

The grant recipient shall maintain communication with the Office of Energy Development for the duration of the grant agreement. The grant recipient is obligated to report any changes in the project scope, budget, installation date etc. with OED as soon as they become aware of the changes. Failure of the grant recipient to report any changes in the activities, scope, or budget of their project once awarded constitutes a breach of contract on the part of the grant recipient and will jeopardize the receipt of grant monies. The grant recipient shall acknowledge the financial support of OED by displaying the logo of OED on any webpage, media, or printed materials that mention the project.

**Site Visits**

The grant recipient shall allow OED to conduct project site visits when given (5) business days notice.

**Tax Liabilities**

The grant recipient must be current on all tax liabilities owed to the Indiana Department of Revenue or the Indiana Department of Workforce Development prior to the award being finalized. OED encourages applicants to contact these agencies to determine their status prior to applying.

**Modifications**

Awardees must report to OED immediately if there is a change to the previously proposed activities, scope, or budget changes. The communication must occur prior to the modification and provide a rationale for proposed changes.

**Additional resources**

With support from the Indiana Office of Energy Development, Purdue's Technical Assistance Program has designed an Energy Efficiency & Sustainability (EES) program to help companies improve processes and develop energy management practices through workshops, on-site training, awareness events, implementation and consulting services. Companies seeking technical assistance should visit [http://www.mep.purdue.edu/prod\\_services/greenEnergy.aspx](http://www.mep.purdue.edu/prod_services/greenEnergy.aspx) for more information.

## **Terms and Conditions**

### **Award Approval**

OED administers the CHIP program and will review and score all grant applications. All grant applications submitted will be scored competitively against one another for grant funding.

If the applicant is approved by OED, a grant agreement will be drafted in order to establish the terms of the grant and other conditions needed to manage the grant. Upon award notification, OED expects awardees to immediately begin work on their project. It is expected that work on the project will occur simultaneously with OED executing the contract. When the awardee receives and returns the originally signed grant agreement, the agreement will begin the State's signature process, which can take up to 8 weeks for completion. Upon completing the State signature process, the award recipient may draw down on grant funds as the project is completed. Awardees must begin work on their project upon notification of the award and should not wait until the executed contract is returned. Delay in contract execution is not an allowable reason for an awardee's failure to complete project installation by the deadline stipulated in the contract.

Please see the above section entitled "Awardee Responsibilities" for further information on terms and conditions needed to manage the grant.

### **Confidentiality of Information**

To the extent feasible and permissible by law, the Office of Energy Development (OED) will honor an applicant's request that confidential information submitted to OED will remain confidential. OED will treat information as confidential only if: (i) the information is, in fact, protected confidential information such as trade secrets or privileged or confidential commercial or financial information; (ii) the information is specifically marked or identified as confidential by the applicant; (iii) the information is segregated and placed in a separate appendix to the application; and (iv) no disclosure of the information is required by law or judicial order. If the application results in award of a grant, the honoring of confidentiality of identified data shall not limit the right of OED to disclose the details and results of the grant to the general public. Each and every page containing proprietary data must be clearly identified and marked CONFIDENTIAL.

### **Indemnification**

To the extend allowable by law, Applicant agrees to indemnify, defend, and hold harmless the State, its agents, officials, and employees from all claims and suits including court costs, attorney's fees, and other expenses caused by any act or omission associated with the submission of this application. The State shall **not** provide such indemnification to the applicant.

CHIP Guidelines:  
Section 106 Review Process



August 22, 2011

Mr. Rob Carter, Director & State Historic Preservation Officer  
Indiana Department of Natural Resources  
Division of Historic Preservation & Archaeology  
c/o Ashley Thomas  
402 West Washington Street, Room W 274  
Indianapolis, IN 46204

Dear Mr. Carter,

The Indiana Office of Energy Development gives any applicants of the Conserving Hoosier Industrial Power (CHIP) Program the approval to begin the Section 106 review process. For this program only, I respectfully request you copy Megan Murray, Program Manager for CHIP, on all correspondence to applicants if possible.

If you have any questions, please contact Megan at 317-941-8025 or by email at [mmurray@oed.in.gov](mailto:mmurray@oed.in.gov).

Sincerely,

Molly Whitehead  
Grants and Finance Director

## **SECTION 106 REVIEW PROCESS: Conserving Hoosier Industrial Power (CHIP) Program**

### **What is the Section 106 process?**

- The Section 106 process determines whether a property is historic (one that is either listed in or eligible for inclusion in the National Register of Historic Places) and to insure work doesn't significantly and unnecessarily alter, damage, or destroy both above and below ground historic and/or cultural resources.
- Federal financial assistance (grants or loans) triggers the Section 106 review.
- Even if you don't consider your project to fall under these requirements or to be a historical property, you must still undergo this process.
- Even if you have submitted information for Section 106 review in the past, you must still undergo this process, as it is project-specific.

### **What information should applicants send to SHPO?**

- A letter identifying the following: Indiana Office of Energy Development (as the state agency), the Conserving Hoosier Industrial Power (CHIP) Program (as the program), and the U.S. Department of Energy (as the federal agency)
- Written authorization for applicant to correspond with SHPO on behalf of the federal agency. You can find a copy of this letter following these instructions.
- Project narrative. Be specific! Some examples to include, if applicable: What is this project? If you propose to replace lights, how many will be retrofitted and where are they located? If you propose to replace doors, how many, which doors, and where are the doors located? If you propose to replace your HVAC system, where is it located and will you disturb the property in any way?
- Visual or written description of potential effects
- Map of the area surrounding the proposed building(s) to retrofit
- Approximate date building(s) was/were constructed
- Any known historical significance of any buildings, structure, or objects within Area of Potential Effects (APE)
- Description of existing condition of vacant land that will be disturbed by construction and where previous disturbance has occurred
- Sources of information about buildings and about condition of vacant land that could be disturbed (SHPO suggests referencing the county interim report)
- Recent photographs

**Where should applicants send this information?**

Indiana Department of Natural Resources  
Division of Historic Preservation & Archaeology  
Attn: Ashley Thomas  
402 West Washington Street, Room W274  
Indianapolis, IN 46204

**What is the process once the applicant has submitted information to SHPO?**

- Once the State Historic Preservation Officer (SHPO), within the Indiana Department of Natural Resources (DNR), receives your information, SHPO will comment on whether potentially historic properties may or will be affected and how adverse effects on historic property may be avoided, reduced, or mitigated.
- SHPO's comments will be sent back to the applicant.
- At this point, the applicant should not issue a finding. Although this is typical practice, another entity's finding will not be accepted.
- Upload an electronic copy of SHPO's letter with your application.
- If you have not received a response from SHPO by the application due date, you should include a letter of assurance from your highest official (examples: mayor, president of the county commissioners, non-profit executive director) telling us that you have started this process and what date your information was sent to SHPO.
- OED will send SHPO's comments to the U.S. Department of Energy (DOE) for review by the program area's Project Officer and Contracting Officer.

**Is there anything else we should know?**

- Adhere to the timeframe the Office of Energy Development has provided to you. Do not send in this information to SHPO the same day you submit your application! OED will take this information into consideration and it will affect your score.
- Know that it is the applicant's responsibility to start this process and provide all information to SHPO. The Office of Energy Development simply gives you the authority to start this process and will interact with the federal Department of Energy once SHPO has commented on the project.
- If you receive a response from SHPO requesting additional information, do not ignore the letter, but send in the additional information that has been requested.
- Visit <http://www.in.gov/dnr/historic/2830.htm> for additional information about the Section 106 process.
- If you have any questions about this process, please contact Megan Murray, Program Manager for CHIP at 317-941-8025.

*These guidelines and the process are subject to change, as OED receives additional information from the U.S. Department of Energy.*